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Public Law 87-793

87th Congress, H. R. 7927

October 11, 1962



An Act

76 STAT. 832.

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962".

Postal Service
and Federal
Employees Salary
Act of 1962.

PART I—POSTAL SERVICE

TITLE I—POSTAL RATES

FIRST-CLASS MAIL

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively. 74 Stat. 664.

AIRMAIL

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d) (1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

SECOND CLASS WITHIN COUNTY OF PUBLICATION

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows: 74 Stat. 668.

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"[In cents]

| | "Mailed after January 6, 1963, and prior to January 1, 1965 | Mailed after December 31, 1964 |
|-------------------------------|--|--------------------------------------|
| "Rate per pound..... | 1 | 1½ |
| Minimum charge per piece..... | ¼ | ¼ |

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

76 STAT. 833.

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly--

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

SECOND CLASS BEYOND COUNTY OF PUBLICATION

74 Stat. 669.

Sec. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b) (1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

| | "Mailed after January 6, 1963, and prior to January 1, 1964 | Mailed during calendar year 1964 | Mailed after December 31, 1964 |
|-------------------------------|--|--|--------------------------------------|
| "Rate per pound: | | | |
| Advertising portion: | | | |
| Zones 1 and 2..... | 3.4 | 3.8 | 4.2 |
| Zone 3..... | 5.4 | 4.8 | 5.2 |
| Zone 4..... | 6.4 | 5.8 | 7.2 |
| Zone 5..... | 8.4 | 8.8 | 9.2 |
| Zone 6..... | 10.4 | 8.8 | 11.2 |
| Zone 7..... | 12.0 | 2.0 | 12.0 |
| Zone 8..... | 14.0 | 4.0 | 14.0 |
| Nonadvertising portion..... | 2.6 | 2.7 | 2.8 |
| Minimum charge per piece..... | .6 | .8 | 1.0 |

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

| | "Mailed after January 6, 1963, and prior to January 1, 1964 | Mailed during calendar year 1964 | Mailed after December 31, 1964 |
|-------------------------------|--|--|--------------------------------------|
| "Rate per pound..... | 1.6 | 1.7 | 1.8 |
| Minimum charge per piece..... | .125 | .125 | .125 |

Certain pub-
lications,
minimum
charge.

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows--

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication--one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue--.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e) (2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

(c) Section 4360 of title 39, United States Code, is repealed.

Repeal.

74 Stat. 670.

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76 STAT. 834.

SECOND-CLASS TRANSIENT MAIL

SEC. 105. Section 4362 of title 39, United States Code, is amended 74 Stat. 670. by striking out "two cents" and inserting in lieu thereof "four cents".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12 cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

THIRD-CLASS MAIL

SEC. 107. Section 4452 of title 39, United States Code, is amended— 74 Stat. 673; (1) by amending subsections (a), (b), and (c) to read as follows: Ante, p. 444.

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

| "Type of mailing | Rate | Unit |
|---|----------|---|
| | Cents | |
| (1) Individual piece..... | 4 2 | First 2 ounces or fraction thereof. Each additional ounce or fraction thereof. |
| (2) Bulk mailings under subsec. (c) of this section of: (A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants. (B) Other matter..... | 12 18 | Each pound or fraction thereof. Do. |

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 25⁄8 cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 26⁄8 cents when mailed during calendar year 1964, and 27⁄8 cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

"(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking out "\$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "\$30" and "fifty pounds", respectively, effective January 1, 1963.

FOURTH-CLASS MAIL

SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words "Territory of Hawaii" and inserting in lieu thereof the words "States of Alaska and Hawaii". 74 Stat. 674.

SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following: Ante, p. 445.

"(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on--".

FEES FOR SECOND-CLASS ENTRY AND REGISTRATION

74 Stat. 668.

SEC. 110. Section 4357 of title 39, United States Code, is amended—

(1) by striking out "\$25" in subsection (a)(1) and inserting in lieu thereof "\$30";

(2) by striking out "\$50" in subsection (a)(2) and inserting in lieu thereof "\$60";

(3) by striking out "\$100" in subsection (a)(3) and inserting in lieu thereof "\$120";

(4) by striking out "\$10" in the first sentence of subsection (b) and inserting in lieu thereof "\$15";

(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "The fee for each additional entry is \$15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be \$50.";

(6) by striking out "\$20" in subsection (c) and inserting in lieu thereof "\$25"; and

(7) by striking out the last sentence in subsection (d).

PERMIT FEES FOR MAILING WITHOUT STAMPS

74 Stat. 656. SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out "\$10" and inserting in lieu thereof "\$15".

FIXING OF FEES BY POSTMASTER GENERAL

74 Stat. 581.

SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"(12) the issuance of a permit for prepayment of postage without stamps.

"(13) the entry, re-entry, or additional entry of a periodical publication as second class mail.

"(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

KEYS AND OTHER SMALL ARTICLES

74 Stat. 676.

SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out "5 cents" and inserting in lieu thereof "6 cents".

METHOD OF DETERMINING GROSS RECEIPTS

74 Stat. 584.
72 Stat. 134.

SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85-426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

STANDARDS FOR DETERMINATION OF QUALIFICATIONS OF APPLICANTS FOR
POSITIONS OF POSTMASTER

SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service, level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

TITLE II—POSTAL POLICY

SEC. 201. (a) Section 2302(c) (4) of title 39, United States Code, is amended by striking out “deemed to be attributable to the performance of public services under section 2303(b) of this title” and inserting in lieu thereof “determined under section 2303 of this title to be attributable to the performance of public services”. 74 Stat. 599.

(b) Section 2303(a) of title 39, United States Code, is amended—
(1) by amending the heading so as to read

“§ 2303. Identification of public services and costs thereof”;

(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

“(A) reduced rates for certain publications as provided by section 4359 of this title;”;

Ante, p. 833.

(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

“(C) second class mailings at postage rates as provided by section 4358 of this title;”;

Ante, p. 832.

(4) by striking out paragraph (2) and inserting in lieu thereof the following:

“(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes.”

(5) by adding at the end thereof the following new sentence:

“The terms ‘total loss’ and ‘loss’ as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.”

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows: 74 Stat. 600.

“(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247).”

43 Stat. 1067.

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof."

TITLE III—MISCELLANEOUS

ELIGIBILITY OF CERTAIN ORGANIZATIONS FOR SECOND-CLASS ENTRY

74 Stat. 667.

SEC. 301. Section 4355(a) of title 39, United States Code, is amended—

(1) by inserting after the words "State board of health" in subparagraph (3) a comma and the words "or a State industrial development agency";

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body."

EDUCATIONAL MATERIALS

Ante, p. 834.

SEC. 302. Section 4554 of title 39, United States Code, is amended—

(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;"

(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

(3) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation; and

"(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students."

(4) by striking out the word "students" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(5) by inserting after the words "loaned or exchanged" in paragraph (1) of subsection (b) the following: "(including cooperative processing by libraries)";

(6) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(7) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

READING AND OTHER MATERIALS FOR BLIND PERSONS

74 Stat. 677.

SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

“§ 4653. Publications for blind persons

- “(a) The following matter may be mailed free of postage— Free postage.
- “(1) books, pamphlets, and other reading matter, including pages thereof:
- “(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
 - “(B) in packages not exceeding the weight prescribed by the Postmaster General;
 - “(C) containing no advertising or other matter whatsoever;
 - “(D) unsealed;
 - “(E) sent—
 - “(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or
 - “(ii) to a blind person without cost to the blind person; or
 - “(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.
- “(2) magazines, periodicals, and other regularly issued publications:
- “(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
 - “(B) containing no advertising;
 - “(C) for which no subscription fee is charged.
- “(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof— Postage rate.
- “(1) books, pamphlets, and other reading matter, including pages thereof:
- “(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
 - “(B) in packages not exceeding the weight prescribed by the Postmaster General;
 - “(C) containing no advertising or other matter whatsoever;
 - “(D) unsealed;
 - “(E) sent—
 - “(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or
 - “(ii) to a blind person at a price not greater than the cost price thereof; or
 - “(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished

to a blind person at a price not greater than the cost price thereof.

"(2) magazines, periodicals, and other regularly issued publications:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving-size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

Government
property,
free postage.

"(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"(2) by a blind person to such an agency not conducted for private profit;

"(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

"(4) to a blind person.

"(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals.

"(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sight-saving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals."

REPEALS AND TECHNICAL AMENDMENTS

SEC. 304. (a) The following provisions of law are repealed:

(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86-56);

74 Stat. 728.
Ante, p. 447.

(2) Sections 204(d), 204(e) (1), and 204(e) (2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86-644); 62 Stat. 1263; 74 Stat. 727.

(3) Sections 4361 and 4652 of title 39, United States Code. 74 Stat. 670,

(b) Section 4359(a) of title 39, United States Code, is amended by striking out "4358, 4361, and 4362" and inserting in lieu thereof "4358 and 4362". 676.

(c) Section 4451(d) of title 39, United States Code, is amended by striking out "(a) (2)" and inserting in lieu thereof "(a) (3)". 74 Stat. 672.

COMMUNIST POLITICAL PROPAGANDA

Sec. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section: 74 Stat. 654.

"§ 4008. Communist political propaganda

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'communist political propaganda', shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

56 Stat. 250.

65 Stat. 73.
19 USC 1362.

75 Stat. 444;
Ante, p. 261.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

EFFECTIVE DATE

SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

NOTICE WITH RESPECT TO OBSCENE MATTER DISTRIBUTED BY MAIL AND
DETENTION THEREOFWritten
request for
detention.

SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

SHORT TITLE

Federal Salary
Reform Act
of 1962.

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

DECLARATION OF POLICY

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private

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enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

Report to Congress.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided*, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

Higher minimum compensation rates, Presidential authority.

Post, p. 843.
74 Stat. 607.72 Stat. 1243;
Post, p. 859.
Post, pp. 861-862.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

Compensation rates, revision.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

Post, p. 847.
Post, p. 854.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

- (1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,
- (2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,
- (3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

| Grade | Per annum rates and steps | | | | | | | | | |
|-------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| GS-1 | \$3,245 | \$3,350 | \$3,455 | \$3,560 | \$3,665 | \$3,770 | \$3,875 | \$3,980 | \$4,085 | \$4,190 |
| GS-2 | 3,590 | 3,695 | 3,770 | 3,875 | 3,980 | 4,085 | 4,190 | 4,295 | 4,400 | 4,505 |
| GS-3 | 3,920 | 3,925 | 4,030 | 4,135 | 4,240 | 4,345 | 4,450 | 4,555 | 4,660 | 4,765 |
| GS-4 | 4,110 | 4,250 | 4,390 | 4,530 | 4,670 | 4,810 | 4,950 | 5,090 | 5,230 | 5,370 |
| GS-5 | 4,505 | 4,725 | 4,945 | 5,165 | 5,385 | 5,605 | 5,825 | 6,045 | 6,265 | 6,485 |
| GS-6 | 5,035 | 5,255 | 5,475 | 5,695 | 5,915 | 6,135 | 6,355 | 6,575 | 6,795 | 7,015 |
| GS-7 | 5,540 | 5,760 | 5,980 | 6,200 | 6,420 | 6,640 | 6,860 | 7,080 | 7,300 | 7,520 |
| GS-8 | 6,090 | 6,295 | 6,500 | 6,705 | 6,910 | 7,115 | 7,320 | 7,525 | 7,730 | 7,935 |
| GS-9 | 6,675 | 6,880 | 7,085 | 7,290 | 7,495 | 7,700 | 7,905 | 8,110 | 8,315 | 8,520 |
| GS-10 | 7,290 | 7,535 | 7,780 | 8,025 | 8,270 | 8,515 | 8,760 | 9,005 | 9,250 | 9,495 |
| GS-11 | 8,045 | 8,310 | 8,575 | 8,840 | 9,105 | 9,370 | 9,635 | 9,900 | 10,165 | 10,430 |
| GS-12 | 9,175 | 9,490 | 9,805 | 10,120 | 10,435 | 10,750 | 11,065 | 11,380 | 11,695 | 12,010 |
| GS-13 | 11,150 | 11,515 | 11,880 | 12,245 | 12,610 | 12,975 | 13,340 | 13,705 | 14,070 | 14,435 |
| GS-14 | 12,945 | 13,370 | 13,795 | 14,220 | 14,645 | 15,070 | 15,495 | 15,920 | 16,345 | 16,770 |
| GS-15 | 14,565 | 15,045 | 15,525 | 16,005 | 16,485 | 16,965 | 17,445 | 17,925 | 18,405 | 18,885 |
| GS-16 | 16,000 | 16,500 | 17,000 | 17,500 | 18,000 | 18,500 | 19,000 | 19,500 | 20,000 | 20,500 |
| GS-17 | 18,000 | 18,500 | 19,000 | 19,500 | 20,000 | 20,500 | 21,000 | 21,500 | 22,000 | 22,500 |
| GS-18 | 20,000 | 20,500 | 21,000 | 21,500 | 22,000 | 22,500 | 23,000 | 23,500 | 24,000 | 24,500 |

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1961, and thereafter)

| Grade | Per annum rates and steps | | | | | | | | | |
|-------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| GS-1 | \$3,308 | \$3,410 | \$3,516 | \$3,620 | \$3,725 | \$3,830 | \$3,935 | \$4,040 | \$4,145 | \$4,250 |
| GS-2 | 3,620 | 3,725 | 3,830 | 3,935 | 4,040 | 4,145 | 4,250 | 4,355 | 4,460 | 4,565 |
| GS-3 | 3,980 | 4,085 | 4,190 | 4,295 | 4,400 | 4,505 | 4,610 | 4,715 | 4,820 | 4,925 |
| GS-4 | 4,215 | 4,355 | 4,495 | 4,635 | 4,775 | 4,915 | 5,055 | 5,195 | 5,335 | 5,475 |
| GS-5 | 4,660 | 4,830 | 5,000 | 5,170 | 5,340 | 5,510 | 5,680 | 5,850 | 6,020 | 6,190 |
| GS-6 | 5,235 | 5,410 | 5,585 | 5,760 | 5,935 | 6,110 | 6,285 | 6,460 | 6,635 | 6,810 |
| GS-7 | 5,795 | 6,000 | 6,205 | 6,410 | 6,615 | 6,820 | 7,025 | 7,230 | 7,435 | 7,640 |
| GS-8 | 6,390 | 6,600 | 6,810 | 7,020 | 7,230 | 7,440 | 7,650 | 7,860 | 8,070 | 8,280 |
| GS-9 | 7,030 | 7,260 | 7,490 | 7,720 | 7,950 | 8,180 | 8,410 | 8,640 | 8,870 | 9,100 |
| GS-10 | 7,690 | 7,945 | 8,200 | 8,455 | 8,710 | 8,965 | 9,220 | 9,475 | 9,730 | 9,985 |
| GS-11 | 8,410 | 8,680 | 8,950 | 9,220 | 9,490 | 9,760 | 10,030 | 10,300 | 10,570 | 10,840 |
| GS-12 | 9,190 | 9,490 | 9,790 | 10,090 | 10,390 | 10,690 | 10,990 | 11,290 | 11,590 | 11,890 |
| GS-13 | 11,220 | 11,570 | 11,920 | 12,270 | 12,620 | 12,970 | 13,320 | 13,670 | 14,020 | 14,370 |
| GS-14 | 12,615 | 13,015 | 13,415 | 13,815 | 14,215 | 14,615 | 15,015 | 15,415 | 15,815 | 16,215 |
| GS-15 | 14,065 | 14,515 | 14,965 | 15,415 | 15,865 | 16,315 | 16,765 | 17,215 | 17,665 | 18,115 |
| GS-16 | 15,570 | 16,070 | 16,570 | 17,070 | 17,570 | 18,070 | 18,570 | 19,070 | 19,570 | 20,070 |
| GS-17 | 17,000 | 17,500 | 18,000 | 18,500 | 19,000 | 19,500 | 20,000 | 20,500 | 21,000 | 21,500 |
| GS-18 | 18,000 | 18,500 | 19,000 | 19,500 | 20,000 | 20,500 | 21,000 | 21,500 | 22,000 | 22,500 |

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76 STAT. 844.

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

Compensation
Schedule I,
initial adjust-
ment of rates.

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

Grades 1-3.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

Grades 1-3.
Third longevi-
ty rate.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

Grades 4-10.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

Grades 11-14.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

Grade 15.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding

Grades 16 or 17.

| | |
|---|--|
| | first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day. |
| Grade 18. | (7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day. |
| Rates between scheduled or longevity rates. | (8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day. |
| Maximum longevity or scheduled rates. | (9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate. |
| Certain previous service. | (10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act. |
| Post, p. 847. | (11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he |
| 69 Stat. 173. 5 USC 1113 note. | |
| 5 USC 926 note. | |
| 72 Stat. 203. 5 USC 1113 and note. | |
| 74 Stat. 298. | |

leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

Compensation
Schedule II,
initial adjust-
ment of rates.

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

Rate between
two rates.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

Maximum
rate of
grade.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this

69 Stat. 173.
5 USC 1113
note.
5 USC 926 note.

72 Stat. 203.
5 USC 1113
and note.

74 Stat. 298.

Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

64 Stat. 1100; (5 U.S.C. 1121-1125), relating to step-increases under such Act, is
65 Stat. 613. amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

Presidential
appointments,
exception.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

63 Stat. 969. SEC. 601. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

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76 STAT. 848.

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

Infra.

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

Basic compensation of certain employees, retention.

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act."

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

Supervisors of wage board employees, compensation.

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations."

SALARY RETENTION

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

72 Stat. 830.

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;"

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 606. (a) Section 505 (b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such

75 Stat. 786.

76 STAT., 849. Pub. Law 87-793 -18- October 11, 1962

Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

Department of Defense.
73 Stat. 700;
75 Stat. 786.

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

Warden,
Bureau of Prisons.

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

Member,
Board of Parole.

(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

CONFORMING CHANGES IN EXISTING LAW

Repeals.
Commerce,
Budget Officer.

Sec. 607. (a) The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

Interior,
Director, Division of Budget and Finance.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483-2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

Engineers,
Chief, Programs Branch.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

Area Redevelopment Act, certain positions.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

Fish and Wildlife, Commissioner.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS-18."

Agriculture, surplus disposal administrator.

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding \$15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act. Reporting requirement.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position". Bureau of Prisons, certain positions.

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act. Affected positions, transfer to General Schedule.

(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date. Supergrades. Ante, pp. 848, 849.

SAVINGS PROVISIONS

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended. Ante, p. 843.

EFFECTIVE DATES

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962". Postal Employees Salary Adjustment Act of 1962.

POSTAL FIELD SERVICE SCHEDULES

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows: Ante, p. 443.

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal

76 STAT. 851.

infra.
ost, p. 253.

Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULE I

(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

| PFS | Per annum rates and steps | | | | | | | | | | | |
|-----|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1 | \$3,535 | \$3,725 | \$3,955 | \$4,115 | \$4,245 | \$4,375 | \$4,505 | \$4,635 | \$4,765 | \$4,895 | \$5,025 | |
| 2 | 3,905 | 4,040 | 4,175 | 4,310 | 4,445 | 4,580 | 4,715 | 4,850 | 4,985 | 5,120 | 5,255 | 5,390 |
| 3 | 4,230 | 4,375 | 4,520 | 4,665 | 4,810 | 4,955 | 5,100 | 5,245 | 5,390 | 5,535 | 5,680 | 5,825 |
| 4 | 4,555 | 4,725 | 4,895 | 5,065 | 5,235 | 5,405 | 5,575 | 5,745 | 5,915 | 6,085 | 6,255 | 6,425 |
| 5 | 4,935 | 5,130 | 5,295 | 5,460 | 5,625 | 5,790 | 5,955 | 6,120 | 6,285 | 6,450 | 6,615 | 6,780 |
| 6 | 5,365 | 5,585 | 5,725 | 5,905 | 6,085 | 6,265 | 6,445 | 6,625 | 6,805 | 6,985 | 7,165 | 7,345 |
| 7 | 5,835 | 6,000 | 6,165 | 6,330 | 6,495 | 6,660 | 6,825 | 6,990 | 7,155 | 7,320 | 7,485 | |
| 8 | 6,295 | 6,495 | 6,705 | 6,915 | 7,125 | 7,335 | 7,545 | 7,755 | 7,965 | 8,175 | | |
| 9 | 6,805 | 7,030 | 7,255 | 7,480 | 7,705 | 7,930 | 8,155 | 8,380 | 8,605 | 8,830 | | |
| 10 | 7,315 | 7,540 | 7,765 | 8,130 | 8,375 | 8,620 | 8,865 | 9,110 | 9,355 | 9,600 | | |
| 11 | 8,045 | 8,310 | 8,575 | 8,840 | 9,105 | 9,370 | 9,635 | 9,900 | 10,165 | | | |
| 12 | 8,840 | 9,135 | 9,430 | 9,725 | 10,020 | 10,315 | 10,610 | 10,905 | 11,200 | | | |
| 13 | 9,725 | 10,020 | 10,375 | 10,700 | 11,025 | 11,350 | 11,675 | 12,000 | 12,325 | | | |
| 14 | 10,705 | 11,090 | 11,415 | 11,770 | 12,125 | 12,480 | 12,835 | 13,190 | 13,545 | | | |
| 15 | 11,780 | 12,170 | 12,560 | 12,950 | 13,340 | 13,730 | 14,120 | 14,510 | 14,900 | | | |
| 16 | 12,955 | 13,385 | 13,815 | 14,245 | 14,675 | 15,105 | 15,535 | 15,965 | | | | |
| 17 | 14,290 | 14,730 | 15,160 | 15,590 | 16,020 | 16,450 | 16,880 | 17,310 | | | | |
| 18 | 15,740 | 16,180 | 16,620 | 17,060 | 17,500 | 17,940 | 18,380 | | | | | |
| 19 | 16,750 | 17,200 | 17,650 | 18,100 | 18,550 | | | | | | | |
| 20 | 18,000 | 18,500 | 19,000 | 19,500 | | | | | | | | |

"POSTAL FIELD SERVICE SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

| PFS | Per annum rates and steps | | | | | | | | | | | |
|-----|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1 | \$3,600 | \$3,820 | \$4,040 | \$4,260 | \$4,480 | \$4,700 | \$4,920 | \$5,140 | \$5,360 | \$5,580 | \$5,800 | \$6,020 |
| 2 | 4,010 | 4,145 | 4,290 | 4,435 | 4,580 | 4,725 | 4,870 | 5,015 | 5,160 | 5,305 | 5,450 | 5,595 |
| 3 | 4,345 | 4,490 | 4,635 | 4,780 | 4,925 | 5,070 | 5,215 | 5,360 | 5,505 | 5,650 | 5,795 | 5,940 |
| 4 | 4,680 | 4,860 | 5,040 | 5,220 | 5,400 | 5,580 | 5,760 | 5,940 | 6,120 | 6,300 | 6,480 | 6,660 |
| 5 | 5,065 | 5,265 | 5,425 | 5,585 | 5,745 | 5,905 | 6,065 | 6,225 | 6,385 | 6,545 | 6,705 | 6,865 |
| 6 | 5,500 | 5,665 | 5,870 | 6,035 | 6,240 | 6,425 | 6,610 | 6,795 | 6,980 | 7,165 | 7,350 | 7,535 |
| 7 | 5,950 | 6,150 | 6,350 | 6,550 | 6,750 | 6,950 | 7,150 | 7,350 | 7,550 | 7,750 | | |
| 8 | 6,440 | 6,665 | 6,870 | 7,085 | 7,300 | 7,515 | 7,730 | 7,945 | 8,160 | 8,375 | | |
| 9 | 6,965 | 7,200 | 7,435 | 7,670 | 7,905 | 8,140 | 8,375 | 8,610 | 8,845 | 9,080 | | |
| 10 | 7,500 | 7,900 | 8,150 | 8,400 | 8,650 | 8,900 | 9,150 | 9,400 | 9,650 | 9,900 | | |
| 11 | 8,110 | 8,660 | 8,970 | 9,280 | 9,590 | 9,900 | 10,210 | 10,520 | 10,830 | 11,140 | | |
| 12 | 8,770 | 9,375 | 9,680 | 10,140 | 10,490 | 10,840 | 11,190 | 11,540 | 11,890 | 12,240 | | |
| 13 | 10,210 | 10,545 | 10,880 | 11,215 | 11,550 | 11,885 | 12,220 | 12,555 | 12,890 | 13,225 | | |
| 14 | 11,240 | 11,610 | 11,980 | 12,350 | 12,720 | 13,090 | 13,460 | 13,830 | 14,200 | | | |
| 15 | 12,370 | 12,780 | 13,190 | 13,600 | 14,010 | 14,420 | 14,830 | 15,240 | 15,650 | | | |
| 16 | 13,625 | 14,075 | 14,525 | 14,975 | 15,425 | 15,875 | 16,325 | 16,775 | | | | |
| 17 | 15,000 | 15,495 | 15,990 | 16,485 | 16,980 | 17,475 | 17,970 | 18,465 | | | | |
| 18 | 16,500 | 17,000 | 17,500 | 18,000 | 18,500 | | | | | | | |
| 19 | 18,000 | 18,500 | 19,000 | 19,500 | | | | | | | | |
| 20 | 19,000 | 19,500 | 20,000 | | | | | | | | | |

RURAL CARRIER SCHEDULES

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

| | "Per annum rates and steps | | | | | | | | | | | |
|--|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Carriers in rural delivery service: | | | | | | | | | | | | |
| Fixed compensation per annum..... | \$2,027 | \$2,127 | \$2,227 | \$2,327 | \$2,427 | \$2,527 | \$2,627 | \$2,727 | \$2,827 | \$2,927 | \$3,027 | \$3,127 |
| Compensation per mile per annum for each mile up to 30 miles of route..... | 75 | 77 | 79 | 81 | 83 | 85 | 87 | 89 | 91 | 93 | 95 | 97 |
| For each mile of route over 30 miles..... | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |

"RURAL CARRIER SCHEDULE II

"(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

| | "Per annum rates and steps | | | | | | | | | | | |
|--|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Carriers in rural delivery service: | | | | | | | | | | | | |
| Fixed compensation per annum..... | \$2,080 | \$2,180 | \$2,280 | \$2,380 | \$2,480 | \$2,580 | \$2,680 | \$2,780 | \$2,880 | \$2,980 | \$3,080 | \$3,180 |
| Compensation per mile per annum for each mile up to 30 miles of route..... | 77 | 79 | 81 | 83 | 85 | 87 | 89 | 91 | 93 | 95 | 97 | 99 |
| For each mile of route over 30 miles..... | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25" |

(b) Section 3543(c) of title 39, United States Code, is amended 74 Stat. 646.
 to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) \$4.20 per day, whichever is greater."

(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

Substitute
 of record.

Post, p. 854.

74 Stat. 649.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a

76 STAT. 853.

Post, p. 854.

regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

FOURTH CLASS OFFICE SCHEDULES

74 Stat. 647.

SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

| Gross receipts | Per annum rates and steps | | | | | | | | | | | |
|-----------------------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| \$1,300 to \$1,499.99 | \$3,277 | \$3,396 | \$3,435 | \$3,604 | \$3,713 | \$3,822 | \$3,931 | \$4,040 | \$4,149 | \$4,258 | \$4,367 | \$4,476 |
| \$500 to \$1,299.99 | 3,003 | 3,102 | 3,201 | 3,300 | 3,399 | 3,498 | 3,597 | 3,696 | 3,795 | 3,894 | 3,993 | 4,092 |
| \$300 to \$499.99 | 2,457 | 2,540 | 2,623 | 2,706 | 2,789 | 2,872 | 2,955 | 3,038 | 3,121 | 3,204 | 3,287 | 3,370 |
| \$150 to \$299.99 | 1,911 | 1,973 | 2,035 | 2,097 | 2,159 | 2,221 | 2,283 | 2,345 | 2,407 | 2,469 | 2,531 | 2,593 |
| \$75 to \$149.99 | 1,366 | 1,410 | 1,454 | 1,498 | 1,542 | 1,586 | 1,630 | 1,674 | 1,718 | 1,762 | 1,806 | 1,850 |
| \$25 to \$74.99 | 1,092 | 1,128 | 1,164 | 1,200 | 1,236 | 1,272 | 1,308 | 1,344 | 1,380 | 1,416 | 1,452 | 1,488 |
| \$10 to \$24.99 | 820 | 848 | 876 | 904 | 932 | 960 | 988 | 1,016 | 1,044 | 1,072 | 1,100 | 1,128 |
| Under \$10 | 545 | 562 | 579 | 596 | 613 | 630 | 647 | 664 | 681 | 698 | 715 | 732 |

"FOURTH CLASS SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

| Gross receipts | Per annum rates and steps | | | | | | | | | | | |
|-----------------------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| \$1,300 to \$1,499.99 | \$3,426 | \$3,540 | \$3,654 | \$3,768 | \$3,882 | \$3,996 | \$4,110 | \$4,224 | \$4,338 | \$4,452 | \$4,566 | \$4,680 |
| \$500 to \$1,299.99 | 3,140 | 3,243 | 3,346 | 3,449 | 3,552 | 3,655 | 3,758 | 3,861 | 3,964 | 4,067 | 4,170 | 4,273 |
| \$300 to \$499.99 | 2,590 | 2,655 | 2,741 | 2,827 | 2,913 | 2,999 | 3,085 | 3,171 | 3,257 | 3,343 | 3,429 | 3,515 |
| \$150 to \$299.99 | 1,998 | 2,063 | 2,128 | 2,193 | 2,258 | 2,323 | 2,388 | 2,453 | 2,518 | 2,583 | 2,648 | 2,713 |
| \$75 to \$149.99 | 1,428 | 1,474 | 1,520 | 1,566 | 1,612 | 1,658 | 1,704 | 1,750 | 1,796 | 1,842 | 1,888 | 1,934 |
| \$25 to \$74.99 | 1,142 | 1,179 | 1,216 | 1,253 | 1,290 | 1,327 | 1,364 | 1,401 | 1,438 | 1,475 | 1,512 | 1,549 |
| \$10 to \$24.99 | 857 | 884 | 911 | 938 | 965 | 992 | 1,019 | 1,046 | 1,073 | 1,101 | 1,127 | 1,154 |
| Under \$10 | 598 | 608 | 617 | 626 | 635 | 644 | 653 | 663 | 672 | 681 | 690 | 699 |

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office.

Gross
receipts
category.

October 11, 1962

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76 STAT., 854.

Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of Infra. this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment."

SEC. 705. Section 3552 of title 39, United States Code, is amended 74 Stat. 649. to read as follows:

"§ 3552. Automatic advancement by step increases

"(a) (1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section. Ante, p. 850.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended 74 Stat. 649. to read as follows:

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed."

SEC. 707. Section 3559 of title 39, United States Code, is amended 74 Stat. 651. to read as follows:

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of

the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher."

Star route
contract.
74 Stat. 696.

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and"

Definitions.
74 Stat. 607.

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential."

Compensations.
74 Stat. 644.

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers.)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304."

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER THE
DATE OF ENACTMENT OF THIS ACT

Ante, pp. 851,
852.

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

Ante, p. 852.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States

Ante, p. 854.
74 Stat. 649.

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76 STAT. 856.

Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

Ante, p. 854.
74 Stat. 649.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

Ante, p. 853.

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

Ante, p. 854.
74 Stat. 649.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

39 USC 3542-
3544.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER
JANUARY 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

Ante, pp. 850-
853.

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

74 Stat. 584,
585;
Ante, p. 835.
75 Stat. 569;
Post, p. 857.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

74 Stat. 612. SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year."

Ante, p. 854.

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251-2267).

70 Stat. 743.

SALARY PROTECTION REVISION

75 Stat. 569. SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule."

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and "

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate."

(d) (1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

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76 STAT. 858.

RULES FOR SPECIAL COMPENSATION

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

39 USC 3101, -
3103-3105,
3111-3116.

“§ 3106. Special compensation rules

“In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided*, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.”

74 Stat. 645-
647.

PERSONNEL REQUIREMENTS

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

74 Stat. 609;
75 Stat. 795.

“§ 3301. Personnel requirements

“The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service.”

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word “*Provided*,” the following: “That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: *And provided further*,”.

5 USC 43 note.

CONFORMING AMENDMENT

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled “EMPLOYEES GENERALLY”, the following:

39 USC 3101.

“3106. Special compensation rules”.

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting

39 USC 3501.

“3558. Longevity step-increases”.

REPEALS

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86-568), and section 3558 of title 39, United States Code, are repealed.

74 Stat. 296-298.
39 USC 971 notes,
971-974, 981.
74 Stat. 650.

EFFECTIVE DATES

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS'
ADMINISTRATION

72 Stat. 1243;
74 Stat. 300.

SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department."

(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of \$20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of \$18,500 minimum to \$19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of \$14,665 minimum to \$17,925 maximum a year;

"January 1, 1964, a salary of \$15,665 minimum to \$19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of \$14,665 minimum to \$17,925 maximum a year;

"January 1, 1964, a salary of \$15,665 minimum to \$19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS 15 positions by the Classification Act of 1949, as amended. Resignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director, Chaplain Service, revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

Ante, p. 841.

Ante, p. 843.

PHYSICIANS, DENTISTS, AND NURSES

Sec. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows: 72 Stat. 1245;
74 Stat. 301.

"§ 4107. Grades and pay scales

"(a) (1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows: Ante, p. 841.
72 Stat. 1244.

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, \$16,000 minimum to \$19,000 maximum.
"Executive grade, \$15,250 minimum to \$18,750 maximum.
"Chief grade, \$14,565 minimum to \$18,405 maximum.
"Senior grade, \$12,845 minimum to \$16,245 maximum.
"Intermediate grade, \$11,150 minimum to \$14,070 maximum.
"Full grade, \$9,475 minimum to \$11,995 maximum.
"Associate grade, \$8,045 minimum to \$10,165 maximum.

"NURSE SCHEDULE

"Assistant Director grade, \$12,845 minimum to \$16,245 maximum.
"Chief grade, \$11,150 minimum to \$14,070 maximum.
"Senior grade, \$9,475 minimum to \$11,995 maximum.
"Intermediate grade, \$8,045 minimum to \$10,165 maximum.
"Full grade, \$6,675 minimum to \$8,700 maximum.
"Associate grade, \$5,820 minimum to \$7,575 maximum.
"Junior grade, \$5,035 minimum to \$6,565 maximum.
"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Chief grade, \$15,665 minimum to \$19,785 maximum.
"Senior grade, \$13,615 minimum to \$17,215 maximum.
"Intermediate grade, \$11,725 minimum to \$14,805 maximum.
"Full grade, \$9,980 minimum to \$12,620 maximum.
"Associate grade, \$8,410 minimum to \$10,650 maximum.

"NURSE SCHEDULE

"Assistant director grade, \$13,615 minimum to \$17,215 maximum.
"Chief grade, \$11,725 minimum to \$14,805 maximum.
"Senior grade, \$9,980 minimum to \$12,620 maximum.
"Intermediate grade, \$8,410 minimum to \$10,650 maximum.
"Full grade, \$7,030 minimum to \$9,100 maximum.
"Associate grade, \$6,090 minimum to \$7,890 maximum.
"Junior grade, \$5,235 minimum to \$6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

Sec. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, 72 Stat. 1246.

76 STAT. 861. Pub. Law 87-793 -30- October 11, 1962

or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"§ 4108. Administration

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses."

38 USC 4101-4115.

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration."

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

72 Stat. 1247.

SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

Ante, p. 860.

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

Ante, p. 843.
5 USC 1113.

64 Stat. 1098.
5 USC 2001

note.
Effective date.

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE V FOREIGN SERVICE ACT OF 1946

SHORT TITLE

Foreign Service
Salary Reform
Act of 1962.

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

63 Stat. 1003;
72 Stat. 211. SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

| | | | | | | | |
|---------|----------|----------|----------|----------|----------|----------|----------|
| Class 1 | \$18,975 | \$19,650 | | | | | |
| Class 2 | 15,900 | 16,400 | \$16,900 | \$17,400 | \$17,900 | \$18,400 | \$18,900 |
| Class 3 | 13,440 | 13,985 | 14,330 | 14,775 | 15,220 | 15,665 | 16,110 |
| Class 4 | 11,150 | 11,515 | 11,880 | 12,245 | 12,610 | 12,975 | 13,340 |
| Class 5 | 9,315 | 9,620 | 9,925 | 10,230 | 10,535 | 10,840 | 11,145 |
| Class 6 | 7,705 | 7,960 | 8,215 | 8,470 | 8,725 | 8,980 | 9,235 |
| Class 7 | 6,475 | 6,690 | 6,905 | 7,120 | 7,335 | 7,550 | 7,765 |
| Class 8 | 5,540 | 5,725 | 5,910 | 6,095 | 6,280 | 6,465 | 6,650 |

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

| | | | | | | | |
|---------------|----------|----------|----------|----------|----------|----------|----------|
| "Class 1..... | \$18,975 | \$10,650 | | | | | |
| Class 2..... | 16,900 | 16,400 | \$16,900 | \$17,400 | \$17,900 | \$18,400 | \$18,900 |
| Class 3..... | 14,265 | 14,735 | 15,205 | 15,675 | 16,145 | 16,615 | 17,085 |
| Class 4..... | 11,725 | 12,110 | 12,495 | 12,880 | 13,265 | 13,650 | 14,035 |
| Class 5..... | 9,695 | 10,015 | 10,335 | 10,655 | 10,975 | 11,295 | 11,615 |
| Class 6..... | 8,090 | 8,355 | 8,620 | 8,885 | 9,150 | 9,415 | 9,680 |
| Class 7..... | 6,810 | 7,085 | 7,260 | 7,485 | 7,710 | 7,935 | 8,160 |
| Class 8..... | 5,795 | 5,960 | 6,155 | 6,380 | 6,575 | 6,770 | 6,965". |

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 903. Section 415 of such Act is amended to read as follows:

"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

60 Stat. 1003;
 72 Stat. 212.
 22 USC 870.

| | | | | | | | | | | |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| "Class 1..... | \$13,440 | \$13,885 | \$14,330 | \$14,775 | \$15,220 | \$15,665 | \$16,110 | \$16,555 | \$17,000 | ----- |
| Class 2..... | 11,150 | 11,515 | 11,880 | 12,245 | 12,610 | 12,975 | 13,340 | 13,705 | 14,070 | ----- |
| Class 3..... | 9,315 | 9,620 | 9,925 | 10,230 | 10,535 | 10,840 | 11,145 | 11,450 | 11,755 | ----- |
| Class 4..... | 7,705 | 7,960 | 8,215 | 8,470 | 8,725 | 8,980 | 9,235 | 9,490 | 9,745 | ----- |
| Class 5..... | 6,910 | 7,140 | 7,370 | 7,600 | 7,830 | 8,060 | 8,290 | 8,520 | 8,750 | \$8,980 |
| Class 6..... | 6,225 | 6,435 | 6,645 | 6,855 | 7,065 | 7,275 | 7,485 | 7,695 | 7,905 | 8,115 |
| Class 7..... | 5,510 | 5,690 | 5,900 | 6,180 | 6,370 | 6,560 | 6,750 | 6,940 | 7,130 | 7,320 |
| Class 8..... | 5,080 | 5,230 | 5,400 | 5,570 | 5,740 | 5,910 | 6,080 | 6,250 | 6,420 | 6,590 |
| Class 9..... | 4,575 | 4,725 | 4,875 | 5,025 | 5,175 | 5,325 | 5,475 | 5,625 | 5,775 | 5,930 |
| Class 10..... | 4,110 | 4,250 | 4,390 | 4,530 | 4,670 | 4,825 | 4,980 | 5,135 | 5,290 | 5,445 |

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

| | | | | | | | | | | |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| "Class 1..... | \$14,265 | \$14,735 | \$15,205 | \$15,675 | \$16,145 | \$16,615 | \$17,085 | \$17,555 | \$18,025 | ----- |
| Class 2..... | 11,725 | 12,110 | 12,495 | 12,880 | 13,265 | 13,650 | 14,035 | 14,420 | 14,805 | ----- |
| Class 3..... | 9,695 | 10,015 | 10,335 | 10,655 | 10,975 | 11,295 | 11,615 | 11,935 | 12,255 | ----- |
| Class 4..... | 8,090 | 8,355 | 8,620 | 8,885 | 9,150 | 9,415 | 9,680 | 9,945 | 10,210 | ----- |
| Class 5..... | 7,295 | 7,535 | 7,775 | 8,015 | 8,255 | 8,495 | 8,735 | 8,975 | 9,215 | \$9,455 |
| Class 6..... | 6,570 | 6,785 | 7,000 | 7,215 | 7,430 | 7,645 | 7,860 | 8,075 | 8,290 | 8,505 |
| Class 7..... | 5,890 | 6,085 | 6,280 | 6,475 | 6,670 | 6,865 | 7,060 | 7,255 | 7,450 | 7,645 |
| Class 8..... | 5,270 | 5,445 | 5,620 | 5,795 | 5,970 | 6,145 | 6,320 | 6,495 | 6,670 | 6,845 |
| Class 9..... | 4,715 | 4,870 | 5,025 | 5,180 | 5,335 | 5,490 | 5,645 | 5,800 | 5,955 | 6,110 |
| Class 10..... | 4,215 | 4,355 | 4,495 | 4,635 | 4,775 | 4,915 | 5,060 | 5,215 | 5,370 | 5,525 |

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

CONVERSION

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate

Supra.

by the Secretary of State: *Provided*, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

| Present class under section 415 of the Foreign Service Act of 1946 | Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended |
|--|--|
| FSS- 1 | FSS- 1 |
| FSS- 2 | FSS- 1 |
| FSS- 3 | FSS- 2 |
| FSS- 4 | FSS- 2 |
| FSS- 5 | FSS- 3 |
| FSS- 6 | FSS- 3 |
| FSS- 7 | FSS- 4 |
| FSS- 8 | FSS- 5 |
| FSS- 9 | FSS- 6 |
| FSS-10 | FSS- 7 |
| FSS-11 | FSS- 8 |
| FSS-12 | FSS- 9 |
| FSS-13 | FSS-10 |
| FSS-14 and below | (¹) |

¹ Remain at present class and salary rate until revised pursuant to new section 415(b).

CONFORMING AMENDMENTS

74 Stat. 837.
22 USC 1017.

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 1001. (a) (1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161-1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

Ante, p. 843.

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission."

75 Stat. 789.
5 USC 1161.

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

70A Stat. 118.

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under

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76 STAT. 864.

subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act."

Ante, p. 843.

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87-367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out "as amended by paragraph (34) (B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85-861)".

50 USC 402 note.

10 USC 1581.

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: "Provided, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission."

64 Stat. 447.

Ante, p. 843.

(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: "Provided, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended."

(f) Section 203(b) (2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b) (2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, "except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of \$19,000 a year, or up to a limit of \$21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof "except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed \$21,000 a year) of".

75 Stat. 791.

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of \$19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of \$19,000" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

68 Stat. 948.

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed \$19,500 per annum, is amended by striking out "\$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

75 Stat. 791.

76 STAT., 865.Ante, p. 861.

22 USC 2454.

5 USC 1071
note.

5 USC 1105.

22 USC 2385.

22 USC 2506.

(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed \$12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed \$10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended."

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87-256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(k) (1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87-195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(1) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87-293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

ASSISTANT UNITED STATES ATTORNEYS

69 Stat. 10. SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:
"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than \$17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a) (2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a) (5), or section 672 to 675 inclusive, of title 28 of the United States Code, or section 107(a) (6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206(a) (6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

60 Stat. 329.

70 Stat. 739.

63 Stat. 954.
5 USC 1071 note.

(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

62 Stat. 921.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his

74 Stat. 708.
5 USC 391, 392.

gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of \$60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86-568), is amended to read as follows:

"No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of \$8,880 per annum, or gross compensation at a rate in excess of \$18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds \$21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed \$21,500.

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76 STAT. 868.

(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

SAVING PROVISION

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

ABSORPTION OF COSTS

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

EFFECTIVE DATE

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

CEILING PROVISION

SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds \$20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed \$20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

| If the annuity commences between— | The annuity shall be increased by— |
|---|------------------------------------|
| January 2, 1963, and December 31, 1963..... | 4 per centum |
| January 1, 1964, and December 31, 1964..... | 3 per centum |
| January 1, 1965, and December 31, 1965..... | 2 per centum |
| January 1, 1966, and December 31, 1966..... | 1 per centum |

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to \$2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

70 Stat. 743.
5 USC 2251-
SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(1) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

5 USC 2251
note.
(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"COST-OF-LIVING ADJUSTMENT OF ANNUITIES.

"SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

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76 STAT. 870.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a) (1) or (a) (2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

70 Stat. 754.
5 USC 2260.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items \$600, \$720, \$1,800, and \$2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

Sec. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows: 5 USC 2259.

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a) (1), shall be reduced by 2½ per centum of so much thereof as does not exceed \$3,600 and by 10 per centum of so much thereof as exceeds \$3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a) (1)." 5 USC 2257.

Infra.

(b) Section 10(a) (1) of such Act is amended to read as follows: 70 Stat. 754.
5 USC 2260.

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity." 5 USC 2259.

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

5 USC 2251.

(f) (A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

5 USC 2260.

(B) The third sentence of section 10(d) of the Act is amended to read as follows: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one."

5 USC 2251
note.

Effective date.

Sec. 1104. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (f)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

Approved October 11, 1962, 9:30 a.m.